

The Current State of Legal Governance in the Batam Free Trade Zone: Opportunities for Improvement

Heru Iskhan, I. Gusti Ayu Ketut R.H, Hartiwiningsih

Faculty of Law, Sebelas Maret University, Indonesia.

DOI: <https://dx.doi.org/10.47772/IJRISS.2025.90500039>

Received: 16 April 2025; Revised: 30 April 2025; Accepted: 02 May 2025; Published: 28 May 2025

ABSTRACT

This paper investigates the legal governance landscape in the Batam Free Trade Zone (FTZ-Batam) in Indonesia, highlighting key opportunities for improvement. The study uses a qualitative research method that describes how governance has changed, points out conflicting regulations, and shows problems caused by divided administration. The proposed framework aims to encourage increased integration and harmonization of regulations across various government institutions and sectors. This examination is crucial, not only for policymakers involved in the management of Free Trade Zones (FTZ), but also for stakeholders investing in the broader implications of free trade zones on local and national economic growth. The Batam Free Trade Zone (FTZ-Batam) is one of the strategic economic zones that plays an important role in the development of foreign investment in Indonesia, serving as a longstanding pillar for both regional and national economic growth. In this context, this paper aims to look closely at the legal rules that apply in the area, especially focusing on Government Regulation (PP) No. 4 of 2025, signed on January 22, 2025, which is the third update to Government Regulation No. 46/2007 about the Free Trade Zone and Free Port of Batam Island. In addition, this paper also analyzes how historical legal and regulatory developments have influenced governance dynamics in the Batam Free Trade Zone. This discussion will explore the relationship between institutional and administrative aspects that have undergone significant shifts in efforts to support investment processes and economic growth. The final result of this research recommends the need for enhanced synergy between central and regional authorities as well as the active role of stakeholders in addressing institutional issues that arise along with the development of the Free Trade Zone and Free Port Area.

Keywords: Batam Free Trade Zone; Government Regulation Number 4 of 2025; Government Regulation No. 46/2007; Legal Governance and Policy Implementation.

INTRODUCTION

History of the Batam Free Trade Zone

The history of Free Trade Zone and Free Port Area began when it was initially established in 1970 as a free trade zone and free port in Batam with the aim of accelerating economic growth and attracting foreign investment to Indonesia. The change of Free Trade Zone and Free Port Area to Integrated Economic Development Zone (IEDZ) in 1996 shows a legal adjustment to the changing global economy[[1](#)] and the need to update regulations.

The Batam Free Trade Zone (FTZ-Batam) is an important part of Indonesia's economic growth, created to boost the economy by attracting foreign investment and developing industries.[[2](#)] This change shows how Indonesia's economic strategy has moved from focusing on making products for the local market to promoting exports. This shift has catalyzed changes in the governance framework, revealing a lack of cross-regulatory synchronization and presenting critical challenges to coherent legal governance.

As interpreted, this change enhances the focus on broader economic integration and enables the implementation of more adaptive policies in facing new challenges, such as globalization and information technology. The theory of legal change indicates that the legal system adapts through a process of continuous adjustment, leading to regulations that can better support sustainable development.[3] The development of legal governance in this situation shows how ideas have progressed within a larger legal system,[4] aiming to meet the changing needs of society and how past decisions affect today's policies and laws because of changes in regulations caused by globalization and the growing movement of money both at home and abroad.

Looking at how the FTZ-Batam legal framework has been developed, we can see that Government Regulation (PP) Number 4 of 2025 is designed to boost foreign direct investment by creating a more stable set of rules. However, despite the intent of the government regulation, the lack of effective implementation and monitoring mechanisms could lead to inconsistent application across sectors and government agencies. Previous historical trends have explained how the evolution of the legal structure within the FTZ-Batam has not kept pace with the dynamic requirements of the rapidly changing global economy.

The current legal framework

The legal framework governing the Batam Free Trade Zone (FTZ-Batam) illustrates Indonesia's dual regulatory regime, which combines centralized national legislation with locally tailored regulatory incentives. National laws, trade regulations, and local regulations provide the necessary regulatory control to maintain order and compliance while also creating economic incentives that stimulate private sector involvement in the area.[5]

There are several national laws, trade regulations, and local ordinances that form the legal framework governing the Batam Free Trade Zone. With the use of these instruments, a dual regulatory regime combines a nationally driven, centralized legal framework with locally designed regional economic incentives. This duality is designed to ensure that the enforcement of national standards runs in parallel with the flexibility needed for innovative regional development. On one hand, Indonesian national laws and trade regulations provide a comprehensive legal infrastructure that maintains order, security, and compliance. Such a framework is crucial to ensure that free trade activities operate under uniform standards that promote stability, reduce legal uncertainty, and protect national economic interests.[6] On the other hand, decentralization reforms have significantly empowered local governments, leading to increased administrative capacity and fiscal independence. This increase in capacity enables local authorities to design tailored measures to meet specific socio-economic needs and encourage private sector participation, thereby translating into economic incentives that drive targeted growth in the region.[7] The book "The Law and Policy of the World Trade Organization" discusses the importance of striking a balance between trade liberalization and institutional and procedural rules when determining regulations. The Indonesian government can adopt trade policies that align with the legal norms of the WTO.[8]

Regulations of Legal Governance in Batam

The Batam Free Trade Zone (FTZ-Batam), established to enhance economic development and attract foreign investment, operates under a comprehensive regulatory framework aimed at promoting trade and fostering a conducive business environment. Since its establishment in the early 1970s as a Free Trade Zone (FTZ) and undergoing a conceptual transformation in 1996, before being standardized through policies in the early 2000s, the Batam Free Trade Zone has shown that a decentralized approach and regional participation in decision-making can drive regional economic growth.[9] However, legal uncertainty often becomes an obstacle for investors, especially amidst the institutional dualism between the Batam City Government and the Batam Free Trade Zone Authority.[10] This results in a loss of potential economic growth that should be achievable through more stable investments. A study indicates that one of the major challenges faced in Free Trade Zone and Free Port Area is the inconsistency and complexity of existing regulations, which sometimes exceed the understanding capacity of business actors.[11]

The recent enactment of Government Regulation (PP) Number 4 of 2025, which amends Government Regulation No. 46/2007, has become the focal point of analysis in this research. This regulation not only reaffirms the importance of a robust framework but also integrates the latest administrative, fiscal, and operational guidelines in line with current economic developments. Grasping what this change means is important for assessing how well legal governance works in FTZ-Batam, suggesting ways to improve policy execution, and fostering cooperation between different sectors in the Free Trade Zone and Free Port Area.

The Government Regulation (PP) signed in Jakarta on January 22, 2025, is the third amendment to Government Regulation (PP) No. 46 of 2007 concerning the Free Trade Zone and Free Port of Batam Island. The third update to PP No. 46 of 2007 continues efforts to improve investment benefits, strengthen monitoring systems, and adjust to the needs of the digital age and global economy, which earlier set the rules for free trade zones to make Batam a key place for trade and investment.[\[12\]](#) This change reflects dynamic policies continuously developed to address new challenges in globalization, enhancing the free trade area's competitiveness as an economic growth and foreign investment center.[\[13\]](#)

Legal governance in the FTZ-Batam is very complicated, involving changes in rules that focus on improving standards and using information technology to help manage the region. The development of e-Government in the Batam area has been identified as one of the key factors contributing to transparency and administrative efficiency in the region. The use of big data and modern information systems in managing the free trade zone allows the government to conduct real-time monitoring, enhance coordination between various levels of government, and ensure that the implemented policies meet global standards.[\[14\]](#) This step aligns with the government's efforts to refine the regulatory framework to attract more foreign investment, optimize import-export activities, and integrate the Batam area into the international trade network.

Recent studies indicate that the legal governance conditions in the Batam Free Trade Zone (FTZ-Batam) face challenges in implementation and supervision.[\[15\]](#) This difficulty is due to fragmentation among regulatory agencies, which leads to various issues, ranging from overlapping authorities and coordination gaps to complex and inconsistent administrative procedures from different regulatory bodies controlling the FTZ-Batam.

RESEARCH METHOD

Research methods are a way of thinking to achieve the goals of the research itself; research cannot be formulated, its answers found, its problems solved, or analyzed without using research methods.[\[16\]](#) The type of legal research used by the author in this study is normative juridical research (doctrinal legal research), which is a type of legal research conducted by examining library materials or using secondary data as legal materials, [\[17\]](#) aimed at addressing current legal issues or problems [\[18\]](#) by analyzing the relationships between regulations, explaining areas of difficulty, and predicting future developments. [\[19\]](#) Doctrinal research may be the most common research approach in legal studies. In legal studies, doctrinal research may be the most popular research methodology. Prof. S.N. Jain defines methodology as 'the analysis of legal cases, the arrangement and systematization of legal arguments, and the study of legal institutions through legal reasoning or rational deduction.' [\[20\]](#) By focusing on primary legal sources such as laws, government and regional regulations, and legal doctrines, as well as a series of systematic literature reviews, the researchers have identified research gaps by adjusting results in specific areas through the assessment, mapping, and analysis of the literature [\[21\]](#). The doctrinal method used here seeks to show the current state of legal management in the Batam Free Trade Zone and to point out future research areas regarding the challenges and opportunities that have come up since Government Regulation (PP) Number 4 of 2025 was issued. The way we use and study legal rules to create and understand legal 'doctrine' can be a useful guide for legal research on FTZ policies and for academic work on standard legal analysis, making sure that the results are based on real-world and theoretical legal ideas. Methodology related to the use and analysis of legal regulations in formulating and interpreting legal 'doctrine' [\[22\]](#) can serve as a potential reference for legal research on FTZ policies and academic literature on normative legal analysis, ensuring that the findings are firmly anchored in practical and theoretical legal paradigms.

RESULTS AND DISCUSSION

Legal Analysis of Batam Government

The Batam Free Trade Zone (FTZ) is one of the strategic economic areas in Indonesia, playing an important role in attracting foreign investment and driving regional economic growth. In the context of globalization and increasingly tight economic competition, the effectiveness of legal governance in this area becomes crucial to ensure the sustainability of free trade facilities and guarantee the fair implementation of regulations as well as effective oversight.

The analysis of the current legal governance conditions in the Batam Free Trade Zone (FTZ-Batam) reveals a complex landscape, where structural and institutional challenges limit effective governance, thereby creating opportunities for future improvements. This analysis is structured into several sections that cover the historical context, current legal framework, administrative practices, law enforcement challenges, stakeholder influence, comparative studies, and recommendations for improvement.

Regulatory Instruments and Legal Provisions

The legal framework governing FTZ-Batam includes various national laws, trade regulations, and regional regulations. The intention of these instruments is to establish a dual regime that accommodates incentives for economic activities and the necessary regulatory oversight. This regime facilitates investment by providing tax incentives and simplified legal procedures while also addressing potential issues related to regulatory coherence and governance transparency.[\[23\]](#)

The legal governance framework in the Batam Free Trade Zone (BFTZ) illustrates the complex interaction between centralized national regulations and decentralized regional governance structures. As with decentralized governance, local governments in Indonesia are given significant authority to design and implement policies that align with local economic conditions and development goals. In the case of FTZ-Batam, local governments have implemented strategies to boost investment and trade, fostering a more competitive economic landscape.[\[24\]](#) Nevertheless, regional autonomy does not occur in isolation; regional autonomy must align with national laws and policies. For example, the principles of the national constitution, which originate from Pancasila and the 1945 Constitution, impose certain limitations and frameworks on regional governance, ensuring that regional decisions remain consistent with national interests.[\[25\]](#)

Conflict and Policy Ambiguity

An important aspect of the current legal framework is the ambiguity of policies with conflicting objectives. On one hand, the policies aim to maintain a favorable investment climate by streamlining processes and reducing bureaucratic oversight. On the other hand, these policies may lack the necessary provisions for environmental protection, labor rights, and comprehensive law enforcement. This inconsistency poses challenges in the uniform and consistent application of the law.

Additionally, there are several examples where regional management strategies in FTZ-Batam face challenges due to inconsistencies with national regulations. This dual governance model creates tension when regional initiatives fail to comply with the comprehensive national legal framework, particularly regarding issues such as customs enforcement, taxation, and trade regulations. The need for cohesion between national rules and local practices is crucial to prevent confusion and ensure effective governance within the FTZ-Batam.

In short, decentralization policies in Indonesia have empowered local governments, leading to innovation and responsiveness in managing free trade zones like Batam, but they have also revealed potential conflicts with the centralized regulatory framework. To enhance the effectiveness of the FTZ-Batam, regional and national authorities must build a cooperative dialogue that aligns regional initiatives with national policies.

The governance challenges in the Border Free Trade Zone (FTZ-Batam) stem from a dual framework, where local innovations in customs enforcement, taxation, and trade regulations can clash with centralized policies. This misalignment often leads to ineffective policy enforcement, particularly in local tax administration, as demonstrated by a study on the dual management model of national and local tax authorities.[\[26\]](#) Local tax authorities require adequate autonomy and political legitimacy to effectively enforce regional regulations.[\[27\]](#) These tensions can be exacerbated when local jurisdictions, empowered by decentralization policies, implement initiatives that deviate from national standards, potentially undermining legal cohesion.[\[28\]](#) The misalignment between national trade policies and local port management illustrates this challenge, as differences can hinder investment and disrupt efficient trade flows, thereby benefiting competing ports.[\[29\]](#) Therefore, building a sustainable cooperative dialogue is crucial for effectively managing free trade zones like Batam.[\[30\]](#) By bridging the gap between decentralized economic initiatives and centralized legal mandates, policymakers can reduce the risks associated with regulatory fragmentation, leading to more effective and equitable governance across the country.

Regulatory Framework Governing the Batam Free Trade Zone

In examining the regulatory framework governing the Batam Free Trade Zone, it is necessary to depict the interaction between centralized national regulations and decentralized regional governance structures. The decentralization process in Indonesia has granted local governments the flexibility to manage free trade zones, but this autonomy sometimes leads to conflicts with the broader national legal framework. Different interpretations of regulations have influenced administrative practices, often leading to inconsistent enforcement and policy implementation. Scholars believe that this system allows for new ideas and local responsibility while making sure that economic policies follow the law, as required by the 1945 Constitution,[\[31\]](#) and that laws made by the Indonesian government must follow the basic rules of the 1945 Constitution, as Hans Kelsen pointed out in his important book, "General Theory of Law & State," where he said that every law should focus on these basic rules.[\[32\]](#)

This study highlights the need to make sure that local practices match national laws to achieve consistent policy results, meaning that every policy or decision in the Batam Free Trade Zone should be checked against constitutional standards to ensure they follow the rules of good governance and support local decision-making.[\[33\]](#) The requirement for constitutional conformity ensures that the regional regulatory framework remains flexible yet strong enough to stimulate economic growth while maintaining legal order.

The initial regulations established basic principles for the Batam Industrial Zone, addressing aspects such as administrative regulations, tax policies, and operational guidelines. Amendments have often been introduced in response to the continuously evolving economic context and global trade practices, reflecting the need for adaptive governance. Government Regulation (PP) Number 4 of 2025, which stems from a series of government regulatory amendments, represents a significant step forward in the legal governance of the Batam Free Trade Zone. These changes introduce significant updates to the existing regulations regarding the administration and operational functions of the Batam Bonded Zone. Among the amended provisions are revisions to fiscal policies that provide incentives for foreign investment, updated operational guidelines intended to streamline administrative processes, and measures aimed at enhancing competitiveness through innovation and technology. In the case of Batam, the reconfiguration of its free trade zone regulatory environment reflects ongoing negotiations between local interests and national economic imperatives. Experts emphasize that this interaction is crucial: local innovations in regulatory design must align with national constitutional standards to ensure sustainable economic development and legal stability.[\[34\]](#)

Inconsistency of Regulations

The regulatory inconsistencies observed in the Batam Free Trade Zone (FTZ) primarily arise from overlapping jurisdictions between national, regional, and local authorities. Various regulations announced by different agencies between the Batam city government and the Batam KFT Authority create a system where regulatory responsibilities are not clearly defined.[\[35\]](#)

The use of ambiguous legal language exacerbates the inconsistency by leading to various interpretations among stakeholders and thereby increasing confusion over compliance obligations. Unclear language and overlapping rules can weaken the effectiveness of laws meant to help trade and investment in Free trade Zone.[36] Xue, N.,[37] study on how decisions are made in Hainan shows that unclear language can greatly impact how well the legal system works together and how efficiently financial activities are carried out.

Fixing this regulatory confusion might need major changes in how different authorities share their responsibilities, and clearer laws could help solve the existing problems.[38] As stated by Wang and Cai, the consolidation of policy instruments and the enhancement of the rule of law are important steps towards the establishment of a more coherent governance framework in free trade zones.[39] These measures may include clarifying the scope of authority, minimizing the duplication of administrative functions, and revising legal texts to eliminate ambiguities, thereby creating a more structured environment to meet policy objectives and investor expectations. This restructuring aims not only to reduce regulatory clashes but also to enhance clarity, consistency, and overall governance efficiency within the Batam Industrial Zone.

Administrative Fragmentation

In the context of the Batam Free Trade Zone, administrative fragmentation is a significant challenge that arises from the division and lack of coordination among government agencies. The existence of many agencies with their roles and responsibilities often results in an isolated bureaucratic structure, which ultimately hinders synergy in the formulation and enforcement of regulations. Such fragmentation not only results in delays in decision-making but also increases compliance costs and creates uncertainty in the business environment.[40] In addition, issues related to differences in bureaucratic standards and the lack of synergy in information systems between agencies further exacerbate this problem.[41]

In addressing administrative fragmentation, this study emphasizes the necessity of an integrated governance model, which is crucial for tackling the critical challenges of administrative fragmentation in free trade areas,[42] such as the Batam Free Trade Area.

Best practices from other international free trade zones can serve as benchmarks to assess the feasibility of a more consolidated governance approach. In the case of the Hainan Free Trade Port in China, policy reforms have centralized the decision-making process, enabling a high level of autonomy and administrative coherence.[43] A central group has been set up to organize the rules and combine different government tasks,[44] which will help introduce changes to policies easier and cut down on red tape.[45] The joint efforts toward administrative coherence will contribute to a stable regulatory environment and enhance the overall competitiveness of the Batam Free Trade Zone.

Theoretical Framework to Analyze Batam Free Trade Zone Legal Governance Factors

Theoretical framework for research on the Batam Free Trade Zone

In examining legal governance within the Batam Free Trade Zone (KPB), it is essential to establish a thorough theoretical framework to underpin the formulation of hypotheses and research models. The theoretical framework should include historical dimensions, collaborative governance strategies, the influence of information technology, and the institutional factors that underpin area management. The historical transformation of the Batam area has undergone multiple phases, beginning with its establishment as a Free Trade Zone and Free Port in 1970, followed by its reconfiguration as an Integrated Economic Development Zone (KAPET) in 1996, and culminating in its current status as a Free Trade Zone that fosters economic growth through local government involvement after decentralization.[46] The evidence indicates that collaborative governance is enhanced by mutual influence and shared legal norms between public and private stakeholders, which is crucial for effective governance in this context.[47] Digital advancements are essential, as IT systems and big data management platforms enable cross-departmental information exchange,

thus enhancing the efficient management of Free Trade Zones.[48] The system of rules, which includes updated local laws and shared responsibilities between agencies, helps improve how administration works at various levels of government. The 'theory of collaborative governance' provides a perspective on the interaction between government and community in regional management within an evolving theoretical framework. This approach in Batam matches results from research in other parts of Indonesia, showing that working together among different groups improves legal governance and draws in investment.[49] The collaborative model shown in the Barcelona case shows that involving everyone and working together with both public and private sectors can balance economic growth with what the community needs, which improves trust in governance.[50] More proof supports this view; when local residents take part in managing their area, it effectively links making policies with promoting the market, highlighting how important community involvement is for sustainable economic development.[51] The institutional aspects of Indonesia's economic zone are underpinned by a theoretical framework that necessitates a balanced regulatory regime. Balancing business autonomy with judicial oversight is essential for fostering investor confidence and equitable allocation of local benefits. Normative legal studies show that this system improves the safety of investments and the effectiveness of legal rules in the Free Trade Area by combining judicial oversight with market forces. Research on local governance indicates that a robust institutional framework ensures clarity and consistency in policy implementation, which in turn enhances legal protection and economic participation at the regional level. These findings highlight the necessity of aligning legal regulations with investment rights to foster justice and sustainability in Indonesia's economic zones.

Evaluation of the legal frameworks governing the development of Free Trade Zones in various countries

This research aims to assess the implementation of governance within the Batam free trade zone. The evaluation of legal governance in the Batam Free Trade Zone (KBE) necessitates a thorough analysis of the regulatory, institutional, and operational dimensions that underpin the entire free trade zone (KBE). The legal governance within that economic zone influences both the formulation and implementation of regulations, as well as its competitiveness and socio-economic results. The Batam Free Trade Zone encompasses the interplay of regulatory frameworks, institutional arrangements, and enforcement mechanisms that promote transparency, legal stability, and adaptability. The regulatory framework is a crucial element underpinning legal governance. Research on free trade and economic zones emphasizes the necessity of a well-organized legal framework to enhance competitiveness and draw foreign investment.[52] Garcia assert that KBE serves as a crucial development factor by improving competitive advantage, especially via specific tax incentives and exemption policies.[53] Gutierrez and Salazar; (2021) emphasize the necessity of clear and supportive legal regulations to enhance efficient business operations and promote economic development in free trade areas.[54] This viewpoint is pertinent to the Batam Free Trade Zone, where the development of the legal framework has significantly influenced corporate structures and market dynamics in the area. The institutional framework plays a crucial role in assessing legal governance. Hornok and Raeskyesa; present evidence from Indonesia indicating that the legal and institutional framework within the economic zone is directly associated with local income inequality and overall economic growth.[55] The findings indicate that having clear and consistent laws can help reduce income gaps by making sure that the benefits from free trade policies are shared fairly, which is crucial for the Batam Free Trade Zone, where the main goal is to achieve balanced economic growth. Jiang and Zhang, investigated the assessment of judicial fairness in companies within free trade zones, highlighting the necessity for legal institutions to maintain justice while addressing the requirements of international trade competition.[56] The emphasis on both efficiency and justice is crucial in Batam, where the government must reconcile robust economic performance with compliance with the rule of law. An additional significant factor is the transition of legal governance from reactive regulation to proactive regulation. He & et al., studied this change in smart cities, highlighting the importance of taking steps to prevent problems before they happen instead of dealing with them after they occur. [57] The proactive legal governance model can be adjusted for the Batam FTZ by using digital governance tools and advanced monitoring systems, which enhance regulatory oversight and help predict possible legal issues. Theoneste, contextualizes the historical legacy and transformation of special economic zones, emphasizing the evolution of legal structures and mercantilist policies over time.[58] This observation is significant in the

context of the necessary reforms in Batam's legal governance to achieve an optimal balance between liberal economic policies and regulatory oversight. The evaluation of legal governance in the Batam Industrial Area involves looking at a well-organized system that includes creating strong rules, improving institutions, and using active governance methods. The aforementioned factors collectively influence and determine the effectiveness of legal governance in stimulating competitiveness while ensuring legal certainty and equality.

Evaluation of the legal frameworks governing the development of Free Trade Zones in various countries.

China-Free Trade Zone

The establishment of the Shenzhen Special Economic Zone (SEZ) represented a significant effort to leverage geographic advantages and implement government-directed strategies for the purpose of enhancing economic growth. The main objective is to create a zone characterized by conditions that diverge from the national framework, specifically through advantageous tax policies, relaxed labor regulations, tariff reductions, and improved access to foreign capital.

The Chinese government developed the Special Economic Zone (SEZ) in Shenzhen to capitalize on cross-border benefits for economic development,^[59] owing to its strategic closeness to Hong Kong and direct integration with the global market.^[60] The investment policy of the Chinese government significantly impacts the development of the Shenzhen Special Economic Zone (SEZ) by emphasizing high-quality infrastructure, including transportation and communication networks, as well as advanced industrial zones and logistics centers. This approach aims to generate spill over effects, enhancing overall regional economic performance by encouraging further investment in adjacent areas and facilitating improvements in industrial clustering.^[61]

The Special Economic Zone (SEZ) framework has effectively adopted the Shanghai model of economic liberalization. Policy initiatives, including the liberalization of labor regulations, improve labor market flexibility, while fiscal incentives, such as tax reductions and reduced tariffs, are crucial for increasing foreign direct investment (FDI). This policy model illustrates that focused regional strategies can effectively promote industrialization and urban development by creating centers of economic activity and localized competitive strengths.^[62] The unique features of China's special economic zones, like the Shenzhen model, include carefully selected locations, large areas, and strong government support, which includes good infrastructure, programs to help workers, and tax benefits.

India-Free Trade Zone

The Indian government has decided to convert Export Processing Zones (EPZ) into Special Economic Zones (SEZ) by allowing the creation of SEZs. This initiative forms part of a comprehensive strategy designed to promote regional growth and attract investment, similar to the methods employed by other countries where Special Economic Zones facilitate economic advancement.^[63] Special Economic Zones (SEZs) operate under various governance structures, including government oversight, public-private partnerships, or sole management by private entities. The choice of governance structures significantly influences operational outcomes. Studies show that privately managed zones often face development issues due to funding limitations and reduced institutional backing.^[64] The conversion of productive agricultural land into industrial or economic zones raises considerable concerns, leading to numerous local political protests. Studies show that converting highly productive agricultural land into Special Economic Zones (SEZs) can jeopardize local food security, alter socio-economic conditions, and result in environmental degradation.^[65] The relocation of fertile lands reduces the overall availability of productive agricultural areas and increases tensions among local communities dependent on this land for their livelihoods.^[66] Controversial land acquisition practices have prompted widespread protests, highlighting the complex relationship between developmental needs and agricultural preservation.^[67] Researchers argue that these challenges encompass not only direct economic issues but also broader environmental concerns, including

changes in local hydrological processes and biodiversity loss resulting from land-use alterations.[[68]] Policy interventions, including stricter land use regulations, are proposed as critical measures to prevent the excessive and uncontrolled conversion of agricultural land, thus ensuring that economic development does not undermine long-term food security and ecological stability.[[69]] The establishment of KEK functions as a strategic initiative aimed at stimulating economic growth, while this balanced policy approach endeavors to mitigate the negative externalities associated with such conversions.

Malaysia-Free Trade Zone

Malaysian free trade zones include central government decisions, provincial control, and private sector planning, monitoring, facilitation, and networking. This governance system entails the central government appointing key officials, guiding state policies to local actors, ensuring local governments and businesses follow a centrally sanctioned plan. Federal principles that emphasize centralized administrative appointments and governance must guide local policy submissions, but citations are required. During free trade zone planning and operation, public and commercial partners collaborate to improve the centralized appointment process. The private sector's strategic engagement with government entities is essential for infrastructure management, regulatory investment facilitation, and trade optimization, while government support is vital for attracting foreign direct investment (FDI) and coordinating multi-stakeholder partnerships.[[70]] The Bayan Lepas Free Trade Zone in Penang shows how government designation and facilitation, private sector investment, and operational excellence create a strong electronics supply chain network and competitive market position.[[71]] A comprehensive management governance architecture supports Malaysia's free trade zones, including Butterworth (Penang), North, West, and South Ports (Klang), Bayan Lepas (Penang), Stulang Laut (Johor), and Sungai Way (Kuala Lumpur). This concept requires significant agency-private sector collaboration. Government agencies plan and oversee, while private sector partners improve operational efficiency and networking, keeping the zone competitive and adaptable to global market trends. The regulations control free trade zone decision-making, formation, and development. Malaysia combines central government appointments and high-level policy supervision with private sector-led operational management. This arrangement improves trade efficiency, infrastructure development, and local economic growth through strategic planning and collaboration.

Philippine-Free Trade Zone

The Philippine free trade zone system, encompassing privately operated Special Economic Zones (SEZs), demonstrates a distinct correlation between management practices and the effectiveness of these zones in fostering export-oriented industries, responding to market dynamics, and drawing foreign direct investment (FDI).[[72]] The operation of export-focused Special Economic Zones (SEZs) in the Philippines illustrates that privately managed zones typically prioritize strategies that advantage investors, which are crucial for adapting to rapid technological advancements and complying with global trade regulations, especially within the electronic export sector. These solutions are essential for firms to swiftly implement advanced production processes while remaining competitive in export markets characterized by strict quality and efficiency standards. The liberal economy's impact on the regulatory framework in the Philippines, particularly through privatization and deregulation, is believed to enhance the operational efficiency of privately managed special economic zones.[[73]] This policy aims to enhance the environment for foreign investment and knowledge transfer by reducing bureaucratic barriers and promoting export growth, especially in the technology-intensive sector. Some studies suggest that while investor-focused approaches can enhance outcomes, the effectiveness of Special Economic Zones (SEZs) is contingent upon a supportive institutional framework and comprehensive regulatory reforms.[[74]] A comparative analysis of the management of Philippine Special Economic Zones indicates that the anticipated outcomes are contingent upon local government practices and the effectiveness of regulations in promoting innovation and diverse exports. The Philippine experience provides insights into balancing the dynamism of the private sector with the need for cohesive state assistance, which is crucial for enhancing long-term export success in sectors vulnerable to regulatory and technological changes.

Vietnam-Free Trade Zone

The economic reforms initiated in Vietnam in 1986 through the Doi Moi policy, which sought to create a "socialist-oriented market economy," marked a significant transformation in the country's developmental strategy. The establishment of Special Economic Zones (SEZs) was a significant outcome of the state's shift from a centrally planned economy to a socialist-oriented market economy. In the early stages of this reform process, the Vietnamese government focused on strategies to attract Foreign Direct Investment (FDI), thereby creating a favorable environment for private enterprises and promoting economic liberalization. In the early stages after Doi Moi, the government's focus on foreign direct investment (FDI) played a crucial role in injecting capital and technology into key industries, reforming state-owned enterprises, and promoting foreign-invested companies.[\[75\]](#) This strategic emphasis enabled a series of economic and social advancements. Foreign Direct Investment (FDI) facilitates the establishment of Special Economic Zones (SEZs), which serve as hubs for innovative technology and management practices, as well as experimental sites for economic policies that may be implemented nationwide.[\[76\]](#) This procedure aids the government in adjusting the regulatory framework and ensuring that infrastructure development is consistent with existing investments.[\[77\]](#) The development of these zones exemplifies the adaptive features of Vietnam's comprehensive economic reforms. The following stages in the development of the SEZ involve the enhancement of policies to meet changing domestic needs and international market conditions. The repetitive nature of these reforms parallels larger reforms in other developing countries, highlighting common challenges and strategies in the shift from a planned economy to a market-oriented system.[\[78\]](#)

Opportunities for Legal Regime Improvement in Batam

The current legal regime in Batam is characterized by a series of diverse laws aimed at regulating economic activities, property rights, labor practices, and environmental standards within the Free Trade Zone. Experts have noted that although these laws are designed to enhance transparency and efficiency, their practical implementation is sometimes hindered by convoluted bureaucracy and procedural delays. Although the challenges faced by legal governance in the Batam Free Trade Zone are quite significant, targeted reforms have enormous potential for improvement. The development trajectory and stakeholder insights provide confidence in the potential of a regulatory reform agenda aimed at improving governance structures. Improvements can be centered on three main pillars: regulatory harmonization, enhanced stakeholder engagement, and capacity building within government institutions.

First, regulatory harmonization presents opportunities for legal reform to align various regulations with comprehensive economic goals. Such goals can be achieved through a comprehensive review of existing laws and policies, followed by initiatives to establish common standards across institutions, as demonstrated by the Hainan Free Trade Port, where policy reforms, including revising administrative regulations and integrating various legal instruments,[\[79\]](#) play a crucial role in fostering investor confidence in the free trade area.[\[80\]](#)

Second, increasing stakeholder engagement is crucial for building a more participatory governance framework. Involving various stakeholders, including business associations, civil society organizations, and local communities, can help identify tailored solutions that reflect the diverse interests and needs of those affected by governance policies. Such engagement fosters trust and accountability, which are integral parts of any governance structure. Public consultations, advisory committees, and collaborative platforms can be used as mechanisms through which stakeholders can contribute to the governance reform process and meet the needs of all parties.[\[81\]](#)

Finally, capacity building is crucial to equip government institutions with the skills and resources necessary to implement reforms effectively. The process includes not only training officials on new regulations but also fostering a culture of collaboration among various agencies. By strengthening the capacity of institutional frameworks, it can have a transformative effect on organizational performance and governance effectiveness,[\[82\]](#) because well-educated and well-trained personnel are more prepared to deliver more efficient public services and better policy implementation.[\[83\]](#)

CONCLUSION

The legal system in the Batam Free Trade Zone shows both big problems and chances to make rules clearer, improve responsibility, and support steady economic growth. The condition of legal governance in the Batam Free Trade Zone reflects a historical evolution that has resulted in inconsistent regulations and fragmented administrative practices that hinder effective governance. However, it is clear that there is a path for improving reforms—facing existing challenges and maximizing available potential—through strengthening regulations, optimizing existing infrastructure, and involving stakeholders. The latest amendment established by Government Regulation No. 4 of 2025 marks a significant step toward enhancing the effectiveness of policies governing the Free Trade Area. For Indonesian policymakers and stakeholders in the Batam Free Trade Zone, the necessity to address governance issues is not only important for enhancing the economic viability of the FTZ-Batam but also for positioning Indonesia as a competitive player in the global trade landscape. Thus, the newly signed amendment to the PP is a strategic step to maximize the potential of the Batam area as a free trade center in Indonesia.

REFERENCES

1. Suhaidi, M. R., Agiastini, N. K. L., S, N. D., & Irawan, F. (2023). The study examines the role and impact of the 4.0 industrial revolution on the implementation of the omnibus law, which is a significant development in Indonesia's legal system. *Journal of Law, Administration, and Social Science*, 3(1), 14-24. <https://doi.org/10.54957/jolas.v3i1.358>
2. Akhmetov, D. and Kussainova, A. (2023). Features of the legal regime of investment in special economic and industrial zones in the republic of Kazakhstan. *Inter EU Law East: Journal for the International and European Law, Economics and Market Integrations*, 10(2), 191-206. <https://doi.org/10.22598/iele.2023.10.2.10>
3. Suherman, E., Rusyana, A. Y., & Bisri, H. (2023). Analysis of the theory of legal change in the policy of sharia economic law in Indonesia. *Madinah: Journal of Islamic Studies*, 10(2), 200-210. <https://doi.org/10.58518/madinah.v10i2.1811>
4. Setyoningsih, E. V. (2021). The implementation of the ratification of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) has a significant impact on legal politics in Indonesia. *Journal of Law Enforcement and Justice*, 2(2), 117-129. <https://doi.org/10.18196/jphk.v2i2.11749>
5. Sharon, G., Hutama, B. A., Yustitiani, L., & Irawan, A. D. (2023). Purpose legislation status (pseudowetgeving) against legal regulations (according to law number 12 of 2011 jo. law number 15 of 2019 regarding the establishment of legislation regulations). *JHR (Jurnal Hukum Replik)*, 11(2), 150. <https://doi.org/10.31000/jhr.v11i2.8338>
6. Hornok, C. & Raeskyesa, D. G. S. (2023). Economic zones and local income inequality: evidence from Indonesia. *The Journal of Economic Inequality*, 22(1), 69-100. <https://doi.org/10.1007/s10888-023-09581-x>
7. Simbolon, P. G. M. and Damayanti, A. (2023). Indonesian trade policy in adjusting the 2020 WTO's trade policy review. *Jurnal Hubungan Internasional*, 12(1), 76-87. <https://doi.org/10.18196/jhi.v12i1.18038>
8. Bossche, P. V. d. and Zdouc, W. (2021). The law and policy of the world trade organization. <https://doi.org/10.1017/9781108784542>
9. Astuti, W. K., Lestari, N. A. R., & Herlambang, S. (2021). Small town urbanization and project experimentation in Pangandaran region, Indonesia. *Human Geographies – Journal of Studies and Research in Human Geography*, 15(2), 169-183. <https://doi.org/10.5719/hgeo.2021.152.3>
10. Muhammad, Z. (2023). The study focuses on the development policy strategies implemented in the city of Batam. *Elasticity—Journal of Development Economics*, 5(1), 11-22. <https://doi.org/10.29303/e-jep.v5i1.71>
11. Harianto, D. and Cornelis, V. I. (2022). The authors conducted a review of dual positions based on Government Regulation Number 62 of 2019, which pertains to the second amendment to Government

- Regulation Number 46 of 2007 on the Batam free trade zone and free port. Japhtn-Han, 1(1), 120-134. <https://doi.org/10.55292/japhtnhan.v1i1.5>
12. Fatimah, Z., Simamora, B. P., & Silitonga, F. (2022). The implementation of FTZ in the Batam Special Economic Zone (KEK) is enhancing tourism. Mekar Journal, 1(1), 7-13. <https://doi.org/10.59193/jmr.v1i1.16>
 13. Azzahra, F. R., Rijal, N. K., & Prinanda, D. (2022). The study examines the influence of exports and imports on economic growth within the free trade and free port zone (KPBPB) of Batam. Neo Respublica: Journal of Government Science, 4(1), 69-82. <https://doi.org/10.52423/neores.v4i1.16>
 14. Waruwu, W. M., Salsabila, L., & Fathani, A. T. (2023). The study focuses on the optimization of e-government in the Free Trade Zone area of Batam City. Journal of Social and Political Science Studies, 3(1), 49-57. <https://doi.org/10.35912/jasispol.v3i1.1874>
 15. Iman, A. N., Helmi, H., & Syahbadir, M. (2020). The study focuses on the implementation of customs supervision over the traffic of electronic goods at the free port of Batam City. Journal of Government and Politics (JGOP), 2(2), 113. <https://doi.org/10.31764/jgop.v2i2.2763>
 16. Soerjono Soekanto, Pengantar Penelitian Hukum. Penerbit Universitas Indonesia, Jakarta. 2008, Hlm.43.
 17. Soerjono Soekanto dan Sri Mamudji (2003). Penelitian Hukum Normatif: Suatu Tinjauan Singkat, Raja Grafindo Persada, Jakarta, Hlm. 13.
 18. Peter Mahmud Marzuki (2010). Penelitian Hukum, Kencana Prenada Media, Jakarta, Hlm. 35.
 19. Terry Hutchinson & Nigel Duncan (2012). 'Defining and Describing What We Do: Doctrinal Legal Research', 17 Deakin L Rev 83
 20. S.N. Jain. (1982). 'Doctrinal and Non-Doctrinal Legal Research' (1982) 24(2/3) Journal of the Indian Law Institute 341. <https://www.jstor.org/stable/43952212>.
 21. Withorn, T.; Eslami, J.; Lee, H.; Clarke, M.; Caffrey, C.; Springfield, C.; Ospina, D.; Andora, A.; Castañeda, A.; Mitchell, A.; et al.,(2021). Library instruction and information literacy 2020. Ref. Serv. Rev. **2021**, 49, 329–418. <https://www.emerald.com/insight/content/doi/10.1108/rsr-07-2021-0046/full/html>.
 22. Chynoweth Paul, (2008). Advanced Research Methods in the Built Environment (Legal Research in the Built Environment: A Methodological Framework, Andrew Knight & Les Ruddock eds edn, Wiley-Blackwell.
 23. Durongkaveroj, W. (2023). The economic impact of special economic zones: evidence from Thailand. Kasetsart Journal of Social Sciences, 44(2). <https://doi.org/10.34044/j.kjss.2023.44.2.07>
 24. Owu, A. R., Pratiknjo, M. H., & Tampi, J. R. E. (2023). Implementation of the official document management policy within the north sulawesi provincial government. Legal Brief, 11(6), 3530-3541. <https://doi.org/10.35335/legal.v11i6.701>
 25. Prasetyorini, S. A. (2023). Community institutions with nationalist characteristics. Legal Brief, 11(6), 3628-3638. <https://doi.org/10.35335/legal.v11i6.746>
 26. Wang, Y. (2023). Application of big data technology platform based on deep learning in smart tax evaluation system. Soft Computing, 28(23-24), 13917-13927. <https://doi.org/10.1007/s00500-023-08457-6>
 27. Onyango-Delewa, P. (2020). Local tax reforms and intergovernmental fiscal transfers policy: the relevance of governance forum. International Journal of Public Finance, 5(2), 253-272. <https://doi.org/10.30927/ijpf.772404>
 28. Rezvani, A. and Khosravi, P. (2019). Identification of failure factors in large-scale complex projects: an integrative framework and review of emerging themes. International Journal of Project Organization and Management, 11(1), 1. <https://doi.org/10.1504/ijpom.2019.10019953>
 29. Zarei, M., Mojtaba, A., & Shahab, S. (2024). Exploring port–city relationships: a bibliometric and content analysis. Sustainability, 16(11), 4341. <https://doi.org/10.3390/su16114341>
 30. Irianto, B. S. (2023). Regional government problematics. EQUALEGUM International Law Journal, 148-154. <https://doi.org/10.61543/equ.v1i3.28>
 31. Sadono, B. and Wahyudi, F. E. (2018). Theater of macro: trap of 'Macroism' in Indonesian inequality. E3S Web of Conferences, 73, 10018. <https://doi.org/10.1051/e3sconf/20187310018>

32. Kelsen, H. (2017). General Theory of Law and State. <https://doi.org/10.4324/9780203790960>
33. Saputra, R., Zaid, M., & Triasari, D. (2023). Executability of the constitutional court's formal testing decision: indonesia's omnibus law review. *Journal of Law, Environmental and Justice*, 1(3), 244-258. <https://doi.org/10.62264/jlej.v1i3.18>
34. Zein, A. M., Yunanto, S., Nurhayati, I., Setiawan, A., & Samudra, A. A. (2022). The analysis of regional autonomy implementation in indonesia: based on the ruling government paradigm. *Journal of Political Science and International Relations*, 5(4), 153. <https://doi.org/10.11648/j.jpsir.20220504.18>
35. Barkah, A. N. and Kartikasari, D. (2020). Differences in public service quality on the city government and The Authority of Batam. *Proceedings of the First International Conference on Applied Science and Technology (iCAST 2018)*. <https://doi.org/10.2991/assehr.k.200813.023>
36. Zhiyuan, G. and Rui, H. (2020). Policy text analysis of hainan free trade zone (port) from the perspective of policy tools. *IOP Conference Series: Earth and Environmental Science*, 608(1), 012026. <https://doi.org/10.1088/1755-1315/608/1/012026>
37. Xue, N. (2024). Multidimensional data analysis and optimization of regulatory decision making for financial activities in Hainan free trade port in the era of artificial intelligence. *Applied Mathematics and Non-linear Sciences*, 9(1). <https://doi.org/10.2478/amns-2024-3210>
38. Anggraeny, I. and Kusuma, I. (2020). Development of Indonesian Free Trade and Port Zone: Analysis of Historical in Batam Island. *Journal of Law, Policy and Globalization*. <https://doi.org/10.7176/jlpg/99-03>
39. Wang, S. and Cai, X. (2019). Analysis of policy tools for the governance of streamlining administration and delegating power, improving regulation, and upgrading services in China's pilot free trade zones. *Proceedings of the 2019 2nd International Conference on Education, Economics and Social Science (ICEESS 2019)*. <https://doi.org/10.2991/iceess-19.2019.74>
40. Mansien, A. P. (2020). The article discusses the challenges faced by the population administration authority in accordance with government regulation number 40 of 2019. *Nakhoda: Journal of Government Science*, 19(2), 128-150. <https://doi.org/10.35967/njip.v19i2.109>
41. Husni, M. F. (2023). The main pillars of the concept of bureaucracy are efficiency and accountability. <https://doi.org/10.31219/osf.io/dpv9b>
42. Pamungkas, S. H. A., Daffa akbar, M. A., & Nurrizky, A. M. (2022). The study examines social policy governance in managing the COVID-19 pandemic in Indonesia, with a focus on adaptive governance. *The Journal of Social Development Studies*, 3(2). <https://doi.org/10.22146/jsds.5226>
43. Qi, F., Wu, Y., Wang, J., & Wang, Q. (2021). China's Hainan Free Trade Port: Medical Laws and Policy Reform. *Frontiers in Public Health*, 9. <https://doi.org/10.3389/fpubh.2021.764977>
44. Kalu, K. and Aniche, E. T. (2025). The political economy of China's special economic zones and adaptability of developmental state model of industrialisation in Africa: evidence from Nigeria. *Journal of Public Affairs*, 25(1). <https://doi.org/10.1002/pa.70018>
45. Notteboom, T. and Yang, Z. (2017). Port governance in China since 2004: institutional layering and the growing impact of broader policies. *Research in Transportation Business & Management*, volume 22, pages 184-200. <https://doi.org/10.1016/j.rtbm.2016.09.002>
46. Asis-Layugan, P., Queddeng-Cosme, J., Mae, A., Bin, S., Hussen, L., Zari, N., ... & Kawasan, K. (2022). Special economic zones in the Indonesia–Malaysia–Thailand growth triangle. <https://doi.org/10.22617/tcs210449-2>.
47. Muthusamy, S. and Dass, P. (2021). When “trust” becomes more or less salient for alliance performance? contextual effects of mutual influence, international scope, and coopetition. *Journal of General Management*, 46(2), 144-155. <https://doi.org/10.1177/0306307020942461>
48. Pan, Y. (2023). Application of big data intelligent management technology in the construction and innovation of free trade zone., 1168-1174. https://doi.org/10.2991/978-94-6463-256-9_118.
49. Yusliani, N., Suwaryo, U., Deliarnoor, N., & Kartini, D. (2022). Colaborative governance in increasing foreign investment in Dumai city, Riau province, Indonesia. https://doi.org/10.2991/978-94-6463-086-2_124

50. Bua, A. and Bussu, S. (2020). Between governance-driven democratisation and democracy-driven governance: explaining changes in participatory governance in the case of Barcelona. *European Journal of Political Research*, 60(3), 716-737. <https://doi.org/10.1111/1475-6765.12421>.
51. Serban, M., Rahoveanu, M., Zugravu, G., & Băniță, C. (2021). Research on the involvement of residents and tourists in protecting the local brand as a sustainable destination. *SHS Web of Conferences*, 95, 01017. <https://doi.org/10.1051/shsconf/20219501017>
52. Borensztein, E., Gregorio, J. D., & Lee, J. (1998). How does foreign direct investment affect economic growth?. *Journal of International Economics*, 45(1), 115-135. [https://doi.org/10.1016/s0022-1996\(97\)00033-0](https://doi.org/10.1016/s0022-1996(97)00033-0).
53. Garcia, A., Betancur, M., Torres, D., & Orozco, Y. (2021). Competitive Risaralda, generating research alliances for development.. <https://doi.org/10.22517/9789587224955>
54. Gutierrez, P. and Salazar, J. (2021). Application of a competitive model to permanent francas zones in Colombia.. <https://doi.org/10.22517/9789587224955.1.3>
55. Hornok, C. and Raeskyesa, D. (2023). Economic zones and local income inequality: evidence from Indonesia. *The Journal of Economic Inequality*, 22(1), 69-100. <https://doi.org/10.1007/s10888-023-09581-x>
56. Jiang, Y. and Zhang, N. (2023). A quantitative evaluation of judicial justice in civil cases with Chinese free trade zone enterprises as the plaintiff. *Heliyon*, 9(2), e13344. <https://doi.org/10.1016/j.heliyon.2023.e13344>
57. He, W., Li, W., & Deng, P. (2022). Legal governance in the smart cities of China: functions, problems, and solutions. *Sustainability*, 14(15), 9738. <https://doi.org/10.3390/su14159738>
58. Theoneste, N. (2023). Special economic zones: resurgence of mercantilism philosophy of international trade. *GRJSSM*, 01(01), 13-18. <https://doi.org/10.55306/grjssm.2023.1103>
59. Latief, R. and Javeed, S. A. (2024). The spatial effects of digital economy on sustainable urban economic development in China. *Sustainability*, 16(20), 8973. <https://doi.org/10.3390/su16208973>
60. Hall, A., Antonopoulos, G., Atkinson, R., & Wyatt, T. (2022). Duty free: turning the criminological spotlight on special economic zones. *The British Journal of Criminology*, 63(2), 265-282. <https://doi.org/10.1093/bjc/azac010>
61. Turok, I. and Habiyaemye, A. (2020). Territorial collaboration: a novel way to spread prosperity. *Regional Studies*, 54(12), 1776-1786. <https://doi.org/10.1080/00343404.2020.1807490>
62. Wang, Z., Wang, S., Wang, J., & Wang, Y. (2022). Development zones and urban economic performance in China: direct impact and channel effects. *Growth and Change*, 53(4), 1762-1782. <https://doi.org/10.1111/grow.12621>
63. Raji, R. (2019). Africa current issues - African Sezs & amp; Gvcs in the age of automation.,<https://doi.org/10.32655/africacurrentissues.2019.01>
64. Sa'dia, N. H. and Fitrady, A. (2023). Evaluation of special economic zone (sez) impact on economic growth: evidence of Simalungun regency, north Sumatera, Indonesia. *International Review for Spatial Planning and Sustainable Development*, 11(4), 113-130. https://doi.org/10.14246/irspsd.11.4_113
65. Nixon, D. V. and Newman, L. (2016). The efficacy and politics of farmland preservation through land use regulation: changes in Southwest British Columbia's agricultural land reserve. *Land Use Policy*, 59, 227-240. <https://doi.org/10.1016/j.landusepol.2016.07.004>
66. Nair, M. (2019). Land as a transactional asset: moral economy and market logic in contested land acquisition in India. *Development and Change*, 51(6), 1511-1532. <https://doi.org/10.1111/dech.12494>
67. Upadhya, C. and Rathod, S. (2021). Caste at the city's edge: land struggles in peri-urban Bengaluru. *South Asia Multidisciplinary Academic Journal*, (26). <https://doi.org/10.4000/samaj.7134>
68. Ustaoglu, E. and Williams, B. (2022). Institutional settings and effects on agricultural land conversion: a global and spatial analysis of European regions. *Land*, 12(1), 47. <https://doi.org/10.3390/land12010047>
69. Li, M. (2019). The effect of land use regulations on farmland protection and non-agricultural land conversions in China. *Australian Journal of Agricultural and Resource Economics*, 63(3), 643-667. <https://doi.org/10.1111/1467-8489.12311>

70. Ong, W. and Lee, S. (2024). Impact and crisis management of covid-19: an analysis of large manufacturing firms in Penang. *Journal of Economics and Sustainability*, 6(1), 41-61. <https://doi.org/10.32890/jes2024.6.1.3>
71. Qiang, C., Liu, Y., & Steenbergen, V. (2021). An investment perspective on global value chains.. <https://doi.org/10.1596/978-1-4648-1683-3>
72. Aggarwal, A. (2019). SEZs and economic transformation: towards a developmental approach. *Transnational Corporations*, 26(2), 27-48. <https://doi.org/10.18356/d5636c42-en>
73. Repushevskaya, O. and Shteer, Y. (2023). Directions and trends of development of O EZ, SEZ, SZ and their influence on foreign economic activity. *Russian Journal of Management*, 11(4), 532-545. <https://doi.org/10.29039/2409-6024-2023-11-4-532-545>
74. Apanaev, R. (2023). Factors and mechanisms for increasing the efficiency of the region based on the use of special economic regimes (using the example of the Republic of Tatarstan). *Russian Journal of Management*, 11(4), 399-408. <https://doi.org/10.29039/2409-6024-2023-11-4-399-408>
75. Linh, N., Jin, T., Kiong, T., & Yin-Fah, B. (2016). Work-family conflict and employee job satisfaction: a comparison of state-owned and foreign-invested enterprises in Vietnam. *Journal of Asian Business Strategy*, 6(4), 63-72. <https://doi.org/10.18488/journal.1006/2016.6.4/1006.4.63>
76. Duong, C. and Xuan, V. (2023). Entrepreneurial education and intention: fear of failure, self-efficacy and gender. *Journal of Small Business and Enterprise Development*, 31(4), 629-654. <https://doi.org/10.1108/jsbed-02-2023-0057>
77. Liang, Y., Zeng, J., & Li, S. (2022). Examining the spatial variations of land use change and its impact factors in a coastal area in Vietnam. *Land*, 11(10), 1751. <https://doi.org/10.3390/land11101751>
78. Duong, C. and Xuan, V. (2023). Entrepreneurial education and intention: fear of failure, self-efficacy and gender. *Journal of Small Business and Enterprise Development*, 31(4), 629-654. <https://doi.org/10.1108/jsbed-02-2023-0057>
79. Dong, Q. and Bian, Z. (2024). Meeting international economic and trade rules: a case study of Hainan free trade port, China. *World Customs Journal*, 18(1). <https://doi.org/10.55596/001c.116748>
80. Agustianto, A., Sudirman, L., & Setiawan, M. (2024). Effectiveness of the free trade zone policy as a solution to improve the economy in Batam. *Al-Adalah: Journal of Islamic Law and Politics*, 9(1), 53-65. <https://doi.org/10.30863/ajmpi.v9i1.5413>
81. Muzwardi, A., Fera, M., & Kustiawan, K. (2023). Exploring stakeholder significance and impact at tanjung Moco port within the Tanjung Pinang free trade zone. *JURISMA : Journal of Business & Management Research*, 13(2), 305-313. <https://doi.org/10.34010/jurisma.v13i2.10962>
82. Saputra, S., Daehani, D. U., & Wahyudi, A. S. (2019). The linking of strategic planning and innovation to the performance of public organization in Indonesia. *International Journal of Advances in Social and Economics*, 1(3). <https://doi.org/10.33122/ijase.v1i3.47>
83. Aritenang, A. F. (2017). Special economic zone at the crossroads: the case of Batam. *Journal of Social Sciences and Political Science*, 21(2), 132. <https://doi.org/10.22146/jsp.30438>